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November 13, 2001

PUBLIC VERSION

VIA ELECTRONIC MAIL

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Section 201 Investigation -- Carbon and Alloy Flat Products - Plate

Dear Ambassador Zoellick:

On behalf of SSAB Oxelosund AB ("SSAB") a producer of certain carbon steel products, we hereby submit the attached exclusion request brief in the above-referenced investigation.

In accordance with 15 C.F.R. § 2003.6, we request confidential treatment of information contained in brackets on certain pages and exhibits. Disclosure of this information, which contains business proprietary information of SSAB, would cause substantial harm to SSAB. Specifically, the bracketed information concerns internal SSAB accounting data which we have ranged as requested, as well as proprietary detailed product specifications. Public summaries of the specifications for each product are contained in the text of the brief.

Please contact the undersigned if you have any questions regarding this matter.

Respectfully submitted,

William Silverman
Douglas J. Heffner
Richard P. Ferrin
James R. Simoes
Hunton & Williams
Counsel to SSAB Oxelosund AB

Attachments

BEFORE THE
UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C.

PUBLIC VERSION

CERTAIN STEEL PRODUCTS	)	**U.S. Inv. No. 201-73 (Remedy Phase)**
Carbon and Alloy Flat Products - Plate	)	

REQUESTS FOR EXCLUSIONS OF SSAB OXELOSUND AB

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EXECUTIVE SUMMARY

SSAB's ARMOX, HARDOX and WELDOX quenched and tempered plate products should be excluded from Section 201 relief. ARMOX products are quenched and tempered armor plates with Brinell hardness rating ranging from 360 HB to 600 HB, HARDOX products are quenched and tempered abrasion resistant plates with Brinell hardness ratings ranging from 400 HB to 600 HB, and WELDOX products are quenched and tempered extra high strength structural plates with yield strength ranging from 100 ksi to 160 ksi. There are no suitable domestic alternatives to these products. Several grades and dimensions of ARMOX, HARDOX and WELDOX are not produced domestically. Further, even in cases where a domestic producer supplies a product of a comparable grade to certain ARMOX, HARDOX and WELDOX products, certain quality specifications of the SSAB products that are vital to its customers are not met by the domestic products. Downstream consumers face intense competition from foreign companies who have unrestricted access to SSAB products, and stand to be greatly injured if import relief is imposed against ARMOX, HARDOX and WELDOX. Because these SSAB customers purchase the vast majority of their steel requirements from domestic producers, domestic producers will also be further injured by relief. For these reasons, ARMOX, HARDOX and WELDOX products should be excluded from relief.

I. Because Domestic Products Are Not Suitable Substitutes For ARMOX, HARDOX or WELDOX, SSAB Products Should Be Excluded From Any Import Relief.

SSAB Oxelosund AB ("SSAB"), hereby requests the exclusion of certain quenched and tempered abrasion resistant, high yield and armor plate products from relief in the above-referenced investigation. SSAB is a Swedish producer of a wide range of quenched and tempered products necessary to the operations of its customers, who use SSAB products primarily in the manufacture of heavy machinery, including construction and mining equipment.

SSAB produces and imports armor plate with Brinell hardness ratings ranging from 360 HB to 600 HB under the brand name ARMOX, abrasion resistant plate with Brinell hardness ratings ranging from 400 HB to 600 HB under the brand name HARDOX, and extra high strength structural plate with yield strength ranging from 100 ksi to 160 ksi under the brand name WELDOX. SSAB imports plate in thickness ranging from 1/8" to 5 1/8", and in widths of up to 132".

There is no domestic production of these products. While there is domestic production of some products with hardness ratings or yield strength similar to some SSAB products, SSAB products have distinguishing characteristics, discussed below, which result in superior quality than otherwise comparable domestic products. The superior quality of SSAB products is not merely a matter of preference for SSAB's customers. Rather, because their primary competitors are located overseas, continued access to SSAB products is a matter of survival for these companies.

Though not produced domestically, or not supplied by domestic producers at acceptable quality levels or in appropriate quantities, these products are required in the operations of numerous domestic purchasers. In particular, SSAB products are demanded by machinery manufacturers that specialize in products involving close tolerance operations, where safety is paramount. Examples of such machinery include construction equipment, cranes and mining equipment. Product quality drives the decisions of these purchasers, and such purchasers do not choose suppliers based on price. The material must be easily weldable and formable, extremely strong highly abrasion resistant, and must be capable of producing an article of machinery with a surface finish satisfactory to the end user.

The properties of each SSAB product discussed below allow the products to meet customer requirements for weldability, formability, abrasion resistance, strength and surface quality. SSAB imports these products in small volumes, and maintains high prices due to outstanding quality and customer support. The imposition of import relief against these products would jeopardize the survival of many of SSAB's manufacturing customers because many customers of the manufacturers (the end users of the machinery) specifically request SSAB steel, and much of the competition faced by these manufacturers is located in foreign countries where access to SSAB steel is not restricted. High tariffs for SSAB steel in these specialized categories would only serve to drive up costs for the U.S. machinery makers in comparison to their foreign competitors, without any corresponding benefit to the domestic steel industry. Quotas and TRQs also likely would have the same effect.

SSAB's manufacturing customers would not, however, be the only domestic companies injured by the imposition of relief against HARDOX, WELDOX and ARMOX. These companies purchase only specialized steel from SSAB. They purchase the majority of their steel from domestic mills. Accordingly, were SSAB's customers to lose market share to foreign competition with unrestricted access to SSAB steel, the domestic steel companies themselves would see diminished demand for their products because of the adverse indirect effects on their downstream customers. The very companies intended to benefit from relief, thus, would instead be further injured by import relief against SSAB products.

SSAB seeks the exclusion of nine plate products, which fall into three general categories: (1) ARMOX Quenched and Tempered Armor Plate; (2-5) HARDOX Abrasion Resistant Plate with Brinell hardness rating ranging from 400 HB to 600 HB (four products distinguished by Brinell Hardness rating); and (6-9) WELDOX Extra High Strength Structural Plate with yield strength ranging from 100 ksi to 160 ksi (four products distinguished by yield strength).

A. ARMOX:

ARMOX is a quenched and tempered armor plate product that enters the United States under HTS numbers 7225.40.3050 and 7225.40.7000. It is available with a Brinell hardness rating ranging from 360 HB to 600 HB. It is grain refined, surface treated with a low zinc silicate, formatted to a square edge, free of scale, and available in 1/8" to 5" thickness and width up to 132". SSAB began importing ARMOX into the United States in 2001, and imports

only a small quantity.[1] It is imported only to customers who later export finished military or non-military protection equipment manufactured with ARMOX to foreign customers who specifically request ARMOX. The foreign customers will not negotiate on the use of ARMOX. The articles that they purchase must be made of ARMOX. Accordingly, import relief against ARMOX will not benefit the domestic steel industry, but merely injure SSAB's United States customers.

B. HARDOX[2]

HARDOX products are abrasion resistant plate products with Brinell hardness ranging from 400 HB to 600 HB. There is no domestic production of abrasion resistant plate products with Brinell hardness of above 500 HB, and domestic products with Brinell hardness ranging from 400 HB to 500 HB are not suitable alternatives to HARDOX. While some domestic producers supply abrasion resistant plate with a Brinell hardness rating of 400 HB - 500 HB, the product range and product quality of these products is unsatisfactory to SSAB's customers in certain applications. The physical characteristics of each HARDOX product discussed below allow it to be more easily bent, welded and machined, resulting in a higher quality finished product. HARDOX also has impact toughness superior to domestic products.[3]

HARDOX products already sell at a substantial premium over domestic abrasion resistant plate products, and additional tariffs would cause HARDOX to be prohibitively expensive for domestic consumers. The unavailability of HARDOX would result in drastic consequences to SSAB customers. The prospects facing many domestic equipment manufacturers if they are unable to acquire high quality abrasion resistant plate imports was best summarized by one SSAB customer, The A.J. Weller Corporation, in a separate letter to the United States Trade Representative. "For example, because the domestic products are not as bendable as often required in Weller's operations, the domestic products are not compatible with all of Weller's applications. Due to these shortcomings in the domestic products, Weller is required to purchase a portion of its 400 HB - 500 HB plate requirements, at a premium price, from foreign companies that specialize in the production of these products, such as SSAB in Sweden."[4] Weller purchases a substantial amount of domestic abrasion resistant plate for simpler applications, but "{i}f we attempt to use domestic abrasion resistant steel in {the complex applications for which Weller imports HARDOX}, our manufacturing process will require substantially more labor, and the finished product will be less desirable to our customer because it will be of inferior quality and have a shorter useful life. Our customers will, as a result, take their business elsewhere. Specifically, our customers will begin to purchase from our foreign competitors that have unrestricted access to high quality abrasion resistant plate products."[5] Import relief against HARDOX products would result not only in the loss of domestic machinery manufacturers, with the associated economic consequences in their communities, but also in the loss of numerous loyal customers of the domestic steel industry.

All HARDOX products should be excluded from import relief for the reasons stated above. Additional data with respect to each product is set forth below:

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[1] SSAB estimates that it will import [65] tons of ARMOX, with a value of roughly $[80,000], in 2001, [110] tons valued at $[155,000] in 2002, [160] tons valued at $[250,000] in 2003, and [210] tons valued at $[310,000] in each of 2004 and 2005.

[2] SSAB requests the exclusion of four HARDOX products. Because the primary basis of each exclusion request (the lack of a suitable domestic alternative) is identical, however, we will discuss this basis at the outset as it applies to all products, rather than repeating it with respect to each specific product. Additional bases for excluding each specific product, or certain dimensions of each product, are discussed separately below with respect to each product.

[3] 35 ft.-lbs. at -40° for HARDOX 400 and HARDOX 450, and 20 ft.-lbs. at -40° for HARDOX 500.

[4] Letter from Thomas J. Edwards, The A.J. Weller Corporation, to the United States Trade Representative dated November 8, 2001.

[5] Id.

HARDOX 400:

Product Designation and Description

HARDOX 400 is a quenched and tempered abrasion resistant alloy plate with a Brinell hardness rating of 400 HB. It enters the United States under HTS numbers 7225.40.3050 and 7225.40.7000. HARDOX 400 is grain-refined, surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance of 1/3 ASTM standards, and guaranteed to a flatness tolerance of 4mm/m or better. No U.S. producer makes a product that meets all the above quality specifications. HARDOX 400 is available in thickness of 1/8" - 5 1/8" and width up to 132".

Basis for Requesting An Exclusion

In addition to the quality issues discussed above, the product range of domestic abrasion resistant plate is insufficient to meet customer demand. Domestic producers do not produce 400 HB plate in thickness of less than 3/16" or greater than 3", or width greater than 96". HARDOX 400 , however, is available in 1/8" to 5 1/8" thickness, and in up to 132" width. In the even the President does not exclude all HARDOX 400 products, we request that he exclude 400 HB plate less than 3/16" or greater than 3" in thickness, and greater than 96" in width.

Other Producers

For the reasons stated above, although abrasion resistant plate with a Brinell hardness rating of 400 HB is produced domestically, this product differs from HARDOX 400 and is not a suitable substitute for HARDOX 400 in many applications. Accordingly, there is no domestic production of this product. Similarly, other foreign producers supply a 400 HB plate, but the product is not comparable to HARDOX 400.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[21,000]	$[17,100,000]	2001	[15,500]	$[14,100,000]
1997	[23,000]	$[19,100,000]	2002	[15,500]	$[14,100,000]
1998	[23,000]	$[21,000,000]	2003	[14,500]	$[14,100,000]
1999	[19,000]	$[17,000,000]	2004	[21,000]	$[19,600,000]
2000	[19,000]	$[18,700,000]	2005	[21,000]	$[19,600,000]

1996-2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing reduced year-to-date import figures. The remainder of the estimates are based on economic reports showing that demand for HARDOX 400 will remain low in the coming two years, followed by a return to historical levels.

Domestic Production

This product is not produced domestically.

Domestic Substitutes

While domestically produced abrasion resistant plate with a Brinell hardness rating of 400 HB is not a substitute for HARDOX 400 because of the additional quality specifications noted above, it is our understanding that United States Steel, Bethlehem Steel, Lukens Steel and Oregon Steel Mills produce such a product. We estimate that these companies, combined, produced 145,000 tons of 400 HB plate in 1996, 125,000 tons in 1997, 114,000 tons in 1998, 94,938 tons in 1999, and 84,855 tons in 2000.

HARDOX 450

Product Designation and Description

HARDOX 450 is a quenched and tempered abrasion resistant alloy plate with a Brinell hardness rating of 450 HB. It enters the United States under HTS numbers 7225.40.3050 and 7225.40.7000. HARDOX 450 is grain-refined, surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance within 1/3 of ASTM standards, and guaranteed to a flatness tolerance of 4mm/m or better. Again, no domestic producer makes a product that can meet all of the above quality specifications. HARDOX 450 is available in thickness of 1/8" - 5 1/8" and width up to 132".

Basis for Requesting An Exclusion

In addition to the quality issues discussed above, the product range of domestic producers is insufficient. Like domestic 400 HB plate, domestic 450 HB plate has a limited product range. Domestic producers do not produce 450 HB plate in thickness of less than 3/16" or greater than 2", or width greater than 96". HARDOX 450 , however, is available in 1/8" to 5 1/8" thickness, and in up to 132" width. In the even the President does not exclude all HARDOX 450 products, we request that he exclude 450 HB plate less than 3/16" or greater than 2" in thickness, and greater than 96" in width.

Other Producers

For the reasons stated above, although abrasion resistant plate with a Brinell hardness rating of 450 HB is produced domestically, this product differs from HARDOX 450 and is not a suitable substitute for HARDOX 450 in many applications. Accordingly, there is no domestic production of this product. Similarly, other foreign producers supply a 450 HB plate, but the product is not comparable to HARDOX 450.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[170]	$[13,000]	2001	[7,200]	$[7,100,000]
1997	[215]	$[180,000]	2002	[9,800]	$[10,100,000]
1998	[1,000]	$[900,000]	2003	[15,100]	$[15,100,000]
1999	[1,300]	$[1,200,000]	2004	[22,000]	$[21,000,000]
2000	[1,800]	$[1,900,000]	2005	[31,000]	$[32,000,000]

1996-2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing increased year-to-date import figures. SSAB forecasts that demand for HARDOX 450 will continue to increase substantially until 2005.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

While domestically produced abrasion resistant plate with a Brinell hardness rating of 450 HB is not a substitute for HARDOX 450, because of the additional quality specifications noted above, it is our understanding that Bethlehem Steel and Lukens Steel now produce such a product. However, no U.S. producer makes a product that can meet all of the above quality specifications. We estimate that these companies, combined, produced 0 tons of 450 HB plate in 1996, 0 tons in 1997, 0 tons in 1998, 62 tons in 1999, and 145 tons in 2000.

HARDOX 500:

Product Description and Designation

HARDOX 500 is a quenched and tempered abrasion resistant alloy plate with a Brinell hardness rating of 500 HB. It enters the United States under HTS numbers 7225.40.3050 and 7225.40.7000. HARDOX 500 is grain-refined, surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance of 1/3 of ASTM standards or better, and guaranteed to a flatness tolerance of 4mm/m or better. No U.S. producer makes a product that can meet all of these quality specifications. HARDOX 500 is available in thickness of 1/8" - 3 1/8" and width up to 132".

Basis for Requesting An Exclusion

There is no suitable domestic alternative to HARDOX 500. While some domestic producers supply an abrasion resistant plate with a Brinell hardness rating of 500 HB, for the reasons stated above with respect to

HARDOX 400 and HARDOX 450, these products are not suitable substitutes for HARDOX 500. The substitutability arguments above apply to all HARDOX products.[6]

Like domestic 400 HB and 450 HB plate, domestic 500 HB plate has a limited product range. Domestic producers do not produce 500 HB plate in thickness of less than 3/16" or greater than 1", or width greater than 96". HARDOX 500 , however, is available in 1/8" to 3 1/8" thickness, and in up to 132" width. In the even the President does not exclude all HARDOX 500 products, we request that he exclude 500 HB plate less than 3/16" or greater than 1" in thickness, and greater than 96" in width.

Other Producers

For the reasons stated above, although abrasion resistant plate with a Brinell hardness rating of 500 HB is produced domestically, this product differs from HARDOX 500 and is not a suitable substitute for HARDOX 500 in many applications. Accordingly, there is no domestic production of this product. Similarly, other foreign producers supply a 500 HB plate, but the product is not comparable to HARDOX 500.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[2,400]	$[1,900,000]	2001	[2,600]	$[2,500,000]
1997	[2,900]	$[2,300,000]	2002	[3,100]	$[2,900,000]
1998	[2,900]	$[2,600,000]	2003	[3,100]	$[3,310,000]
1999	[2,000]	$[1,900,000]	2004	[4,200]	$[3,700,000]
2000	[3,000]	$[2,400,000]	2005	[4,200]	$[4,300,000]

1996-2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts that demand for HARDOX 500 will continue to increase steadily until 2005.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

While domestically produced abrasion resistant plate with a Brinell hardness rating of 500 HB is not a substitute for HARDOX 500 because of the additional quality specifications noted above, it is our understanding that United States Steel, Bethlehem Steel, Lukens Steel and Oregon Steel Mills produce such a product. We estimate that these companies, combined, produced 5,000 tons of 500 HB plate in 1996, 5,000 tons in 1997, 6,000 tons in 1998, 5,000 tons in 1999, and 5,000 tons in 2000.

HARDOX 600:

Product Description and Designation

HARDOX 600 is a quenched and tempered abrasion resistant alloy plate with a Brinell hardness rating of 600 HB. It enters the United States under HTS number 7225.40.3050. HARDOX 600 is grain-refined, surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance of 1/3 of ASTM standards, and guaranteed to a flatness tolerance of 4mm/m or better. No domestic producer makes a 600 HB abrasion resistant plate. HARDOX 600 is available in thickness of 1/8" - 2" and width up to 132".

Basis for Requesting An Exclusion

The is no domestic production of abrasion resistant plate with a Brinell hardness rating of 600 HB.

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[6] For example, note the product comparisons made by The A.J. Weller Corporation related to all 400 HB - 500 HB abrasion resistant plate. Letter from Thomas J. Edwards to the United States Trade Representative dated November 8, 2001.

Other Producers

The product is not produced domestically or by foreign competition.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	0	0	2001	[51]	$[110,000]
1997	0	0	2002	[110]	$[200,000]
1998	0	0	2003	[220]	$[400,000]
1999	[10]	$[15,000]	2004	[310]	$[650,000]
2000	[21]	$[53,000]	2005	[520]	$[1,000,000]

SSAB imported no HARDOX 600 until 1999. 1999 and 2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts a steady increase in demand for ultra-abrasion resistant plate products such a HARDOX 600, but demand will remain substantially lower than demand for other abrasion resistant products because of the high price of HARDOX 600.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

There is no domestically produced substitute.

WELDOX[7]

WELDOX products are extra high strength structural steel plate with yield strength of 100 ksi to 160 ksi. The is no domestic production of high yield plate with yield strength greater than 130 ksi, and domestic products with yield strength ranging from 100 ksi to 130 ksi are not suitable alternatives to WELDOX. As with HARDOX products, WELDOX products are already priced above any domestic products, and additional tariffs would cause the products to be prohibitively expensive to SSAB's customers. This would result in great harm to SSAB's customers and no benefit, or perhaps even additional injury, to domestic steel producers.

Poor quality and delivery problems related to domestic high yield structural steel plate would cause reliance on such products to spell doom for several SSAB customers. Such is made clear from the experiences of two SSAB customers, Manitowoc Cranes, Inc. and WOTCO Inc, each of which submitted separate letters to the United States Trade Representative highlighting the importance of WELDOX to the success of their businesses.

Mr. Peter Burish, Purchasing Agent for Manitowoc described two specific instances where customers of Manitowoc called into question the domestic steel used in a Manitowoc crane.[8] One customer commented that the appearance of the domestic steel made him think that Manitowoc had used "old, used steel" in manufacturing the crane. Another Manitowoc customer refused to accept the boom top of a crane because of poor surface quality in the domestic steel used to manufacture it. The case has yet to be resolved, and Manitowoc faces the possibility of being required to replace a 40-foot long, 4.2 ton section of the crane, at a substantial cost. Manitowoc also has sometimes been unable to use domestic products at all due to the heavy mill scale on the plates. Manitowoc's customers demand that it not use domestic high yield plate products, and its primary competitors are foreign

[7] SSAB requests the exclusion of four WELDOX products. Because the primary basis of each exclusion request (the lack of a suitable domestic alternative) is identical, however, we will discuss this basis at the outset as it applies to all products, rather than repeating it with respect to each specific product. Additional bases for excluding each specific product, or certain dimensions of each product, are discussed separately below with respect to each product.

[8] Letter from Peter Burish, Manitowoc Cranes, Inc., to the United States Trade Representative, dated November 12, 2001.

companies who would be unaffected by any import relief imposed against WELDOX.[9] Accordingly, Manitowoc's very survival hinges on the exclusion of WELDOX from relief.

As stated in a separate letter from Rick Reynolds of WOTCO, WOTCO faces a situation similar to that faced by Manitowoc. Not only has WOTCO experienced all of the quality difficulties with respect to domestic high yield plate products discussed above,[10] but it has faced even greater difficulty regarding delivery of domestic products. One glaring example is a situation that is still unfolding regarding WOTCO's contract to manufacture mining equipment for a mine partially owned by United States Steel, a domestic company that purports to produce high yield structural plate products. WOTCO was required by the contract to purchase all necessary steel, including high yield structural plate products, from U.S. Steel. Although Mr. Reynolds has substantial contacts at U.S. Steel (WOTCO purchases roughly 80 percent of its steel requirements from domestic sources), he was unable at first to even identify a contact with whom he could discuss high yield structural plate products. When Mr. Reynolds did locate the appropriate contact, he was told that U.S. Steel had no product available. Because of this unavailability, Mr. Reynolds persuaded the mine operators to allow WOTCO to purchase a portion of the high yield plate products required in the project from SSAB. The WELDOX was delivered to Mr. Reynolds several weeks ago, but he has yet to receive any detail about when the U.S. Steel products will be delivered.[11] Tariffs on WELDOX would have precluded such a solution, and WOTCO would have been unable to perform on its contract.

As stated above with respect to HARDOX, SSAB's customers face intense foreign competition. Manitowoc and WOTCO are but two examples of domestic manufacturers who could be rendered unable to compete in a worldwide market if import relief was imposed on WELDOX. The removal of companies like Manitowoc and WOTCO from the market would further injure the domestic steel industry, from which most of these manufacturers purchase the vast majority of their steel products. All WELDOX products should be excluded from relief for these reasons.

WELDOX 100

Product Designation and Description

WELDOX 100 is a quenched and tempered extra high strength structural steel with a yield strength of 100 ksi. It enters the United States under HTS number 7225.40.3050. WELDOX 100 is surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to thickness tolerance of 1/3 ASTM standards and guaranteed to flatness tolerance of 4mm/m or better. No U.S. producer makes a product that can meet all of the above quality specifications. WELDOX 100 is available in thickness of 1/8" -5" and width up to 132".

Basis for Requesting An Exclusion

In addition to the quality issues discussed above, the product range of domestic producers is insufficient. Domestic 100 ksi structural plate has a limited product range. Domestic producers do not produce 100 ksi plate in thickness of less than 3/16" or greater than 2 ½", or width greater than 96". WELDOX 100, however, is available in 1/8" to 5" thickness, and in widths up to 132". In the event that the President does not exclude all WELDOX 100 products, we request that he exclude 100 ksi plate less than 3/16" or greater than 2 1/2" in thickness, and greater than 96" in width.

Other Producers

For the reasons stated above, although 100 ksi structural plate is produced domestically, this product differs from WELDOX 100 and is not a suitable substitute for WELDOX 100. Accordingly, there is no domestic production of this product. Similarly, other foreign producers supply a 100 ksi plate, but the product is not comparable to WELDOX 100.

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[9] Id.

[10] Letter from Rick Reynolds, WOTCO Inc., to United States Trade Representative, dated November 12, 2001. WOTCO purchases both HARDOX and WELDOX products, and its comments are equally applicable to both products. See id.

[11] Id.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[3,000]	$[2,310,000]	2001	[2,400]	$[1,710,000]
1997	[3,300]	$[2,500,000]	2002	[1800]	$[1,720,000]
1998	[3,500]	$[2,800,000]	2003	[2400]	$[1,690,000]
1999	[2,400]	$[1,800,000]	2004	[1800]	$[1,700,000]
2000	[3,000]	$[1,810,000]	2005	[2,010]	$[1,600,000]

1996-2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts steady demand for WELDOX 100 until 2005.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

While domestically produced 100 ksi plate is not a suitable substitute for WELDOX 100 because of the additional quality specifications noted above, it is our understanding that Bethlehem Steel, Lukens Steel and Oregon Steel Mills produce such a product. We estimate that these companies, combined, produced 198,000 tons of 100 ksi plate in 1996, 218,200 tons in 1997, 238,200 tons in 1998, 248,200 tons in 1999, and 238,200 tons in 2000.

WELDOX 130

Product Designation and Description

WELDOX 130 is a quenched and tempered extra high strength structural steel with a yield strength of 130 ksi. It enters the United States under HTS number 7225.40.3050. WELDOX 130 is surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to thickness tolerance of 1/3 ASTM standards and guaranteed to flatness tolerance of 4mm/m or better. No U.S. producer makes a product that can meet all of these quality specifications. WELDOX 130 is available in thickness of 1/8" - 4" and width up to 132".

Basis for Requesting An Exclusion

In addition to the quality issues discussed above, the product range of domestic producers is insufficient. Domestic 130 ksi structural plate has a limited product range. Domestic producers do not produce 130 ksi plate in thickness of less than 3/16" or greater than 2", or width greater than 96". WELDOX 130, however, is available in 1/8" to 4" thickness, and in up to 132" width. In the event that the President does not exclude all WELDOX 130 products, we request that he exclude 130 ksi plate less than 3/16" or greater than 2" in thickness, and greater than 96" in width.

Other Producers

For the reasons stated above, although 130 ksi structural plate is produced domestically, this product differs from WELDOX 130 and is not a suitable substitute for WELDOX 130. Accordingly, there is no domestic production of this product. Similarly, other foreign producers supply a 130 ksi plate, but the product is not comparable to WELDOX 130.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[750]	$[60,000]	2001	[3600]	$[3,300]
1997	[1,700]	$[1,290,000]	2002	[4,100]	$[3,500,000]
1998	[3,100]	$[2,800,000]	2003	[4,200]	$[3,500,000]
1999	[4,000]	$[3,400,000]	2004	[3,600]	$[3,500,000]
2000	[4,000]	$[4,100,000]	2005	[3,600]	$[3,500,000]

1996-2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts a slight increase in demand for WELDOX 130 until 2005.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

While domestically produced 130 ksi plate is not a suitable substitute for WELDOX 130 because of the additional quality specifications noted above, it is our understanding that Bethlehem Steel, Lukens Steel and Oregon Steel Mills have recently begun producing such a product. We do not, however, believe that any of these companies shipped any 130 ksi plate prior to 2001.

WELDOX 140

Product Description and Designation

WELDOX 140 is a structural steel plate with a yield strength of 140,000 ksi. It enters the United States under HTS number 7225.40.3050 and 7225.40.7000. WELDOX 140 is surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance with 1/3 of ASTM standards, and guaranteed to a flatness tolerance of 4mm/m or better. It is available in thickness of 1/8" - 3" and width up to 132". No domestic producer makes a 140,000 ksi yield strength structural plate.

Basis for Requesting An Exclusion

There is no domestic production of structural steel plate with a yield strength of 140,000 ksi.

Other Producers

The product is not produced domestically or by foreign competition.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[22]	$[28,000]	2001	[301]	$[250,000]
1997	[*]	[*]	2002	[1,100]	$[890,000]
1998	[*]	$[9,500]	2003	[1,600]	$[1,350,000]
1999	[25]	$[23,000]	2004	[3,100]	$[2,750,000]
2000	[*]	[*]	2005	[5,100]	$[4,450,000]

1996 - 2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts a substantial increase in demand for extra high strength plate products such as WELDOX 140.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

There is no domestically produced substitute.

WELDOX 160

Product Description and Designation

WELDOX 160 is a quenched and tempered structural steel plate with a yield strength of 160 ksi. It enters the United States under HTS numbers 7225.40.3050 and 7225.40.7000. WELDOX 160 is surface treated with a low zinc silicate primer, formatted with a square edge, free of scale, guaranteed to a thickness tolerance with 1/3 of ASTM standards, and guaranteed to a flatness tolerance of 4mm/m or better. It is available in thickness of 1/8" - 2" and width up to 132". No U.S. producer makes a 160 ksi structural steel plate.

Basis for Requesting An Exclusion

There is no domestic production of structural steel plate with a yield strength of 160 ksi.

Other Producers

The product is not produced domestically or by foreign competition.

Domestic Consumption

Actual			Projected		
Year	**Quantity**	**Value**	**Year**	**Quantity**	**Value**
1996	[170]	$[184,000]	2001	[210]	$[215,000]
1997	[270]	$[300,000]	2002	[300]	$[270,000]
1998	[30]	$[30,000]	2003	[310]	$[320,000]
1999	[110]	$[130,000]	2004	[400]	$[360,000]
2000	[30]	$[33,000]	2005	[420]	$[425,000]

1996 - 2000 figures represent SSAB import data. SSAB arrived at the 2001 projection by analyzing year-to-date import figures. SSAB forecasts a steady increase in demand for extra high strength plate products such as WELDOX 160.

Domestic Production

The product is not produced domestically.

Domestic Substitutes

There is no domestically produced substitute.

II. CONCLUSION

For the reasons stated herein, ARMOX, HARDOX and WELDOX products imported by SSAB should be excluded from Section 201 relief.

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